



House of Representatives

General Assembly

File No. 474

February Session, 2014

Substitute House Bill No. 5534

House of Representatives, April 9, 2014

The Committee on Public Health reported through REP. JOHNSON of the 49th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE PROVISION OF SERVICES TO INDIVIDUALS WITH INTELLECTUAL DISABILITY.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2014*) (a) On or before July 1,
2 2015, the Commissioner of Developmental Services shall develop a
3 plan, in consultation with (1) individuals who receive services from the
4 Department of Developmental Services, (2) family members of such
5 individuals, (3) members of organizations that advocate for such
6 individuals, (4) persons who provide services to such individuals, and
7 (5) representatives of labor organizations for persons who provide
8 services to such individuals to ensure that each individual with
9 intellectual disability who is eligible to receive services from the
10 department, including an individual currently on a waiting list to
11 receive services from the department, receives such services not later
12 than July 1, 2016. Such services shall include, but need not be limited
13 to, community-based residential services, respite care, emergency care,
14 day program services, vocational services and in-home support

15 services. Such plan shall include: (A) A description of additional
 16 staffing and facilities that the department anticipates are likely to be
 17 required to provide the services described in this subsection; (B) the
 18 amount of the appropriation required to provide such services; (C) a
 19 description of any Medicaid waiver that is likely to be required to
 20 provide such services; (D) a description of additional resources that are
 21 likely to be required to provide such services; and (E) a timeline for
 22 implementing the plan on or before July 1, 2016. Not later than January
 23 1, 2016, the commissioner shall submit the plan, in accordance with the
 24 provisions of section 11-4a of the general statutes, to the joint standing
 25 committees of the General Assembly having cognizance of matters
 26 relating to public health, human services and appropriations and the
 27 budgets of state agencies.

28 (b) Not later than July 1, 2016, the Commissioner of Developmental
 29 Services shall provide each individual with intellectual disability who
 30 is eligible to receive services from the department with the services
 31 described in subsection (a) of this section for which the individual is
 32 eligible, in accordance with the plan submitted under subsection (a) of
 33 this section.

34 (c) The services provided in accordance with this section shall not
 35 result in a reduction of other services offered by the Department of
 36 Developmental Services or a reduction in pay or benefits to employees
 37 of the department or employees of organizations receiving funding
 38 under a contract with the department to provide services for
 39 individuals with intellectual disability.

| | | |
|---|-----------------|-------------|
| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | October 1, 2014 | New section |

Statement of Legislative Commissioners:

In section 1(a)(5) and 1(b), the phrase "person with intellectual disability" was changed to "individual with intellectual disability" and, in section 1(c), the phrase "persons with intellectual disabilities" was

changed to "individual with intellectual disability", for internal consistency.

PH *Joint Favorable Subst. -LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

| Agency Affected | Fund-Effect | FY 15 \$ | FY 16 \$ | FY 17 \$ |
|--|--------------------|-----------------|-------------------|--------------------|
| Department of Developmental Services | GF - Cost | 35,000 | 89,037,119 | 181,653,584 |
| Social Services, Dept. | GF - Cost | None | 4,388,400 | 8,952,336 |
| State Comptroller - Fringe Benefits ¹ | GF - Cost | None | 109,131 | 229,175 |
| Total State Cost | | | 93,534,650 | 190,835,095 |
| Resources of the General Fund | GF - Revenue Gain | None | 44,369,718 | 90,514,224 |
| NET TOTAL COST | GF - Cost | 35,000 | 49,164,932 | 100,320,871 |

Municipal Impact: None

Explanation

The bill requires the Department of Developmental Services (DDS) to develop a plan to serve all DDS consumers with service needs and also requires the agency to provide all eligible individuals with the required services by July 1, 2016. While a plan to accomplish these requirements is not known at this time, the following cost estimate is provided based upon the identified current service needs of DDS consumers. The requirements of the bill result in a state cost of \$35,000 in FY 15, \$93.5 million in FY 16 and \$190.8 million in FY 17. The state receives a 50% reimbursement for services provided under the Medicaid home and community-based waiver programs. Assuming services provided under the bill are under the waivers, estimated revenue to the General Fund is anticipated to be \$44.4

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 36.66% of payroll in FY 15 and FY 16.

million in FY 16 and \$90.5 million in FY 17. The net state cost after anticipated federal Medicaid waiver revenue is \$49.2 million in FY 16 and \$100.3 million in FY 17.

Department of Developmental Services (DDS)

It is anticipated that DDS may require \$35,000 in funding in FY 15 for consultant services to assist the agency in the planning and implementation of the significant number of placements of DDS consumers required under the bill.

Services to DDS consumers not currently being served will likely be phased in during FY 16 to meet the July 1, 2016 deadline established by the bill. New funding for community residential services is typically provided through a network of private providers and may include: (1) the development of group homes, (2) continuous resident supports with support staff and clinical supports, (3) individual home supports where a person can work with a provider for services or they can hire someone on their own to provide services, and (4) community companion homes which are licensed family homes for three or fewer individuals. This estimate addresses the services needs of 2,445 DDS consumers. The DDS Management Information Report, as of December 2013, identifies 2,347 DDS consumers with varying needs for residential services (635 - Waiting List, 362 - Other Residential Needs, 1,356 - Planning List). The agency has currently identified an additional 98 individuals in need of day programs.

The anticipated total cost to fund residential and day services in DDS for 2,445 individuals as required by the bill is \$88.7 million in FY 16 and \$181 million in FY 17 is detailed below.

| Service Category | # Consumers | FY 16 Cost \$ | FY 17 Cost \$ |
|------------------|--------------|-------------------|--------------------|
| 1. Residential | 2,347 | 87,367,436 | 178,229,569 |
| 2. Day Program | 98 | 1,372,000 | 2,798,880 |
| Total | 2,445 | 88,739,436 | 181,028,449 |

1. Residential Services

The cost of residential services for DDS consumers on the Waiting and Planning Lists is \$87.4 million in FY 16 and \$178.2 million in FY 17. This estimate is based on a varying average cost and implementation throughout FY 16 that equates to six months of funding and full year cost in FY 17 shown below.

| Placement Category | # Consumers | Average FY 16 Cost \$ | FY 16 Cost \$ | FY 17 Cost \$ |
|--------------------------|--------------|-----------------------|-------------------|--------------------|
| Emergency | 37 | 100,037 | 1,850,686 | 3,775,400 |
| Priority One | 598 | 88,777 | 26,544,249 | 54,150,269 |
| Other Residential Needs | 362 | 45,000 | 8,145,000 | 16,615,800 |
| Planning List | 1,350 | 75,300 | 50,827,500 | 103,688,100 |
| Total Residential | 2,347 | | 87,367,436 | 178,229,569 |

2. Day Programs

The cost of day programs, including transportation, for the 98 DDS consumers with unmet service needs is \$1.4 million in FY 16 and \$2.8 million in FY 17. This estimate is based on six months of funding in FY 16 and full year cost in FY 17 and is shown below.

| Placement Category | # Consumers | Average FY 16 Cost \$ | FY 16 Cost \$ | FY 17 Cost \$ |
|--------------------|-------------|-----------------------|---------------|---------------|
| Day Services | 98 | 28,000 | 1,372,000 | 2,798,880 |

Agency Staffing

The agency will require additional staff to support the expansion of services provided under the bill. The following nine positions have been identified but additional positions may be needed depending on how the plan to provide services is implemented. DDS will require four licensing inspectors to conduct inspections and assure the safety of consumers in their residential placements. Additionally, five case manager positions are necessary to provide the 183 individuals with residential needs and currently have no case manager. The average caseload of a case manager is approximately 40 individuals. Funding

of \$297,683 for six months in FY 16 and \$625,135 for FY 17 supports these 9 new positions. Associated State Comptroller- Fringe Benefit costs for these positions are \$109,131 in FY 16 and \$229,175 in FY 17.

| Position Title | Number Required | Average FY 16 Salary \$ | FY 16 Cost \$ | FY 17 Cost \$ |
|------------------------|------------------------|--------------------------------|----------------------|----------------------|
| Licensing Inspector | 4 | 64,462 | 128,925 | 270,742 |
| Case Manager | 5 | 67,504 | 168,759 | 354,394 |
| Total Positions | 9 | | 297,683 | 625,135 |

Department of Social Services (DSS)

DSS funds the room and board costs for DDS consumers in group homes through the Aid to the Disabled account. Assuming that approximately half of the new placements are in group homes the following costs result for DSS' Aid to the Disabled account.

| DSS - Account | Estimated Placements | Average Monthly Cost \$ | FY 16 Cost \$ | FY 17 Cost \$ |
|----------------------|-----------------------------|--------------------------------|----------------------|----------------------|
| Aid to the Disabled | 1,150 | 636 | 4,388,400 | 8,952,336 |

Federal Revenue

Under the Medicaid home and community-based waiver program the state receives 50% reimbursement for all DDS consumers receiving services under the waiver. The current application would require an amendment to expand the slots under the waiver. Based on the estimated costs of residential and day services under the bill, the estimated Medicaid revenue to the General Fund is shown below.

| | FY 16 \$ | FY 17 \$ |
|--|-----------------|-----------------|
| Expanded Residential and Day Services - Cost | 88,739,436 | 181,128,449 |
| Anticipated Medicaid Waiver - Revenue | 44,369,718 | 90,514,224 |

Additional federal funds are also anticipated under Targeted Case Management.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation. It is not clear if the bill requires services to those eligible after July 1, 2016. To the extent that it does, it would result in additional future costs that would depend on the number of DDS consumers who required services and the level of service provided

*Sources: Core-CT Financial Accounting System
DDS Management Information Reports
Department of Administrative Services website
Personnel Expenditure Projection*

OLR Bill Analysis**sHB 5534*****AN ACT CONCERNING THE PROVISION OF SERVICES TO INDIVIDUALS WITH INTELLECTUAL DISABILITY.*****SUMMARY:**

This bill requires the developmental services (DDS) commissioner, by July 1, 2016, to provide all people with intellectual disability who are eligible for DDS services with the services for which they are eligible. This must include people on a waiting list. The department must do so in accordance with a plan the bill requires the commissioner to develop by July 1, 2015 in consultation with various groups. These services must include community-based residential services, respite care, emergency care, day program services, vocational services, and in-home support services.

The bill specifies the required components of the plan. The commissioner must submit it by January 1, 2016 to the Public Health, Human Services, and Appropriation committees.

The bill also requires that DDS's provision of these services not lead to a reduction in (1) other DDS services or (2) pay or benefits for employees of DDS or organizations funded by DDS to provide services to people with intellectual disability.

Existing law, unchanged by the bill, generally requires DDS to provide these services to eligible people with intellectual disabilities, within available appropriations (see, e.g., CGS §§ 17a-217, 218, 226).

EFFECTIVE DATE: October 1, 2014

DDS SERVICES PLAN FOR PEOPLE WITH INTELLECTUAL DISABILITY

The bill requires the DDS commissioner, in developing the plan, to

consult with:

1. people receiving DDS services,
2. family members of such people,
3. members of organizations that advocate for such people,
4. service providers, and
5. representatives of service providers' labor organizations.

The plan must describe:

1. additional staffing and facilities that DDS anticipates are likely to be needed to provide the services described above,
2. any Medicaid waiver likely needed to provide these services, and
3. additional resources likely needed to provide these services.

The plan also must indicate (1) how much state funding will be needed to provide these services and (2) a timeline to implement the plan by July 1, 2016.

COMMITTEE ACTION

Public Health Committee

Joint Favorable

Yea 25 Nay 1 (03/21/2014)